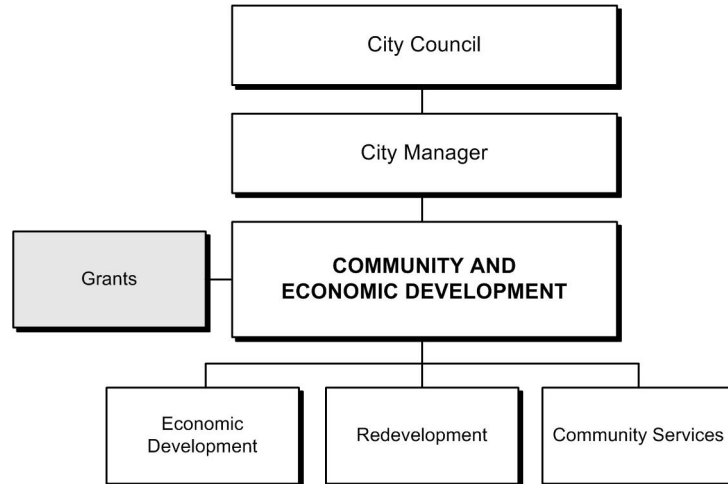




Community and Economic Development



Community and Economic Development



Mission Statement

With an emphasis on the City's urban core neighborhoods and low and moderate income residents, the Community and Economic Development Department strives to improve the quality of life and ensure a healthy economy for all San Diegans through job development, business development, neighborhood revitalization, public improvements, redevelopment, social services, and revenue enhancement.

Division/Major Program Description

Community Services

The Community Services Division provides high quality services to enhance the lives of San Diego's diverse population including: Child Care Services, Operation Weed and Seed, Social Services, Youth Services and the following programs:

"6 to 6" Extended School Day Program, in cooperation with the San Diego Unified School District, opens elementary and middle schools before and after normal school hours to provide a safe place for students to participate in academic enrichment and recreational activities. Funded by the City and several State and federal grants, the Program serves 204 schools.

The Community Development Block Grants/Social Services provides the City of San Diego approximately \$18.25 million annually in funding from the U.S. Department of Housing and Urban Development. The funds are awarded to private or public organizations to revitalize neighborhoods, expand affordable housing and economic opportunities, and/or improve community

Community and Economic Development

Division/Major Program Description (continued)

Community Services (continued)

facilities and services that benefit low-to-moderate income persons.

The Disability Services Program plans, organizes, and coordinates initiatives and strategies to assist persons with disabilities. The Program works with City departments and other agencies to formulate and administer policies affecting the disabled community, assesses the City's compliance with federal and State laws and regulations, and reviews and updates the City's transition plan for architectural access.

The Homeless Services Program plans, organizes, and coordinates activities to assist the homeless community, including the Winter Shelter Program, the Year-Round Family Shelter, and Homeless Seniors. Homeless Services works with City departments and other agencies to formulate and administer policies affecting the homeless community, advises the Mayor, City Council, and City Manager on related policies, implements new legislation and programs, and liases between the City, the homeless community, and other organizations serving the homeless.

Economic Development

The Economic Development Division implements policies and programs to create economic development opportunities that improve the quality of life for citizens of San Diego.

The Business Expansion Attraction and Retention Team proactively provides assistance to key businesses in targeted industries/areas to retain and expand jobs and investment in San Diego. Specific activities include fee reductions and referrals, sales/use tax credits or rebates, and property tax rebates.

The Neighborhood Revitalization Program collaborates with neighborhoods on streetscape projects that improve and enhance the street landscapes and public spaces. These projects benefit the businesses and citizens in the neighborhoods and the City as a whole through improved quality of life and economic benefits. A number of Revitalization projects have received American Institute of Architects Orchid Awards.

The Office of Small Business is the only one of its kind in California, dedicated solely to helping small businesses succeed. Small businesses represent more than 60,000 businesses (approximately 92 percent of all businesses in the City) and about half of San Diego's

Community and Economic Development

Division/Major Program Description (continued)

Economic Development (continued)

job growth since 1991. The City budgets 1.3 million dollars each year for programs to help small businesses prosper.

Special Incentive Zones are defined geographic areas in which businesses can claim certain State income tax savings and other advantages. Enterprise Zones were created in California to stimulate business investments in economically disadvantaged areas as well as spur growth in high unemployment areas. The City administers two State Enterprise Zones (the Metro Zone and the South Bay Zone) and two federal programs (a Foreign Trade Zone and a Renewal Community designation).

The Business Finance Program provides technical support to Community and Economic Development staff and community groups engaged in public/private transactions, and offers a variety of direct financing programs that promote investment and address access-to-capital gaps.

Redevelopment

The Redevelopment Division alleviates conditions of blight in older, urban areas of the City and focuses on nine project areas and one study area that cover more than 6,300 acres. The Redevelopment Agency is a separate legal entity and the City Council serves as its legislative body. The Mayor chairs the Agency; the City Manager is the Executive Director; the City Attorney serves as General Counsel; and the Redevelopment Division serves as staff to the Agency. Other responsibilities include maintaining the Agency's meeting docket, official records and website; general administration; and coordination of the Agency budget and reporting requirements. Major City redevelopment project areas include: City Heights, San Ysidro, the Naval Training Center and North Bay.

City Heights, the largest City project area, the centerpiece of which is the City Heights Urban Village. As a public/private partnership effort, it encompasses nine City blocks, including a new retail center. Major projects underway include an office and townhomes project, Metro Center office/residential project, and the Regional Transportation Center. San Ysidro, the first

Community and Economic Development

Division/Major Program Description (continued)

Redevelopment (continued)

phase of the \$200 million Las Americas project, opened last year with a 630,000-square-foot, open-air shopping center. The ten-acre second phase includes 540,000 square feet of development, a transportation terminal, duty-free shopping, an office tower and a hotel and conference center.

The Naval Training Center (NTC), in partnership with master developer McMillin Co., will implement NTC's Reuse Plan. Redevelopment is expected to occur over the next ten years, and include a 361-acre neighborhood with residential, commercial, and recreational uses in a pedestrian-oriented environment.

North Bay major projects include assisting the expansion of the Point Loma Branch Library, Morena Vista Trolley Project, a study of the Bay-to-Bay concept, and work on the North Bay and Beach Area Transit Study.

Service Efforts and Accomplishments

Community Services celebrated the grand opening of the Cortez Hill Family Center, San Diego's first short-term transitional housing facility, on January 16, 2003. Families moved into the new location from a temporary warehouse located on 16th and Broadway on December 10, 2002. The Cortez Hill Family Center is a case-managed program that helps families without permanent housing get back on their feet and locate more permanent housing solutions.

The City Heights Urban Village project was the recipient of the California Redevelopment Association's 2003 Award of Excellence in the category of Community Revitalization. Considered one of the nation's crowning achievements, major cities around the country focus on the Urban Village as an example of successful neighborhood revitalization.

The Economic Development Division's Business Expansion Attraction and Retention Team provided targeted technical and incentive assistance to businesses resulting in more than \$540 million of revenue generating private capital investment in the City for the period ending June 30, 2002.

An allocation of \$18.8 million in federal and State tax credits was received for Metro Villas, a housing component of the Metro Center project in the City Heights Redevelopment Project Area. The credits will be used to fund new affordable housing units in the area. Project ground breaking was held February 23, 2003.

Community Services Division opened the Kiddie Hall City Employee Childcare Center in December 2002.

The City was awarded a Federal Renewal Community (RC) designation in 2002. The RC designation accords significant federal tax benefits to businesses located within, or investing in, designated low-and moderate-income areas of the City. For several years to come, these federal tax benefits will effectively stimulate private investment and create new job opportunities.

The City's pilot Clean Syringe Exchange Program site located downtown collected more than 13,300 used syringes

Community and Economic Development

Service Efforts and Accomplishments (continued)

and made 428 referrals to additional health and social services from July 2002 to November 2002. The San Diego City Council authorized the pilot program in response to the public health crisis created by the spread of the Hepatitis C Virus and HIV/AIDS.

On October 17, 2002, the Redevelopment Agency and the Corky McMillin Companies held a formal groundbreaking ceremony for the office district at Liberty Station, part of the Naval Training Center Redevelopment Project Area. Construction of the first two of seven buildings has begun, with anticipated completion in 2003.

In August 2002, Economic Development Division's EmTek small business revolving loan fund awarded a \$200,000 loan to its first woman-owned business, A.L. Wizard, a provider of internet-based management software systems for the assisted living industry.

In September 2002, the Federal Economic Development Administration provided a grant to establish a \$3 million San Diego Regional Revolving Loan Fund, a gap loan program targeting small businesses located in low-and moderate-income areas south of Interstate 8.

This fiscal year, the Office of Small Business and Neighborhood Revitalization in partnership with the Small Business Development and International Trade Center, developed and facilitated a new seminar, "The ABCs to Starting, Growing and Financing Your Small Business." Seminars were held in each of the City Council districts with an average of 65 attendees.

The City Heights Urban Village office space and residential townhomes were occupied in March/April 2003. The multi-phase development project focuses on education, transportation, community beautification, affordable housing, retail and office space, and is fundamentally changing the social and physical environment of this diverse community.

Future Outlook

On February 5, 2003, the Redevelopment Agency released a Notice of Funding Availability (NOFA) for a \$55 million program to develop new affordable housing units within the City of San Diego. The City is seeking qualified developers and development teams to submit proposals for new projects that include an affordable housing component. The release of NOFA is the first step in the implementation plan for San Diego's comprehensive affordable housing strategy.

North Park Theatre's seismic retrofit is expected to be completed in 2003. The property will be conveyed to the developer for rehabilitation and reopened in January 2005.

The Redevelopment Agency plans to initiate construction of a 400-space public parking structure in North Park to complement the renovated theatre and other activities in the area. Completion is scheduled for September 2004.

The second phase of the Las Americas Shopping Center will soon begin construction and will be completed by the end of 2004. The \$260 million project will afford 1.4 million square feet of retail space and other development along 66 acres of the U.S./Mexico border.

The Economic Development Division's BEAR Team negotiated and executed an Economic Development Incentive Agreement resulting in the retention of the IDEC Pharmaceutical's Corporate Headquarters and Research Complex in the University Community.

The Agreement is expected to create 2,000 job opportunities and generate \$16 million in new General Fund tax revenue.

Community and Economic Development

Future Outlook (continued)

Property acquisition activities are expected to begin within six months for the Renaissance at North Park project, a mixed-use development that will provide 110 units of affordable housing. Project construction is targeted to begin in Spring 2004.

Phase II of the Cortez Hill Family Center should begin construction by the end of 2003. This phase will add a new building consisting of an industrial kitchen, meeting, counseling and family room.

A press conference held February 3, 2003, marked the official launch of a campaign to raise funds for the restoration of the North Park Theatre, a cornerstone project of the North Park Redevelopment Project Area. Through several generous donations and grants, the Lyric Opera is more than halfway to its ultimate goal of \$3 million.

The Economic Development Division was allocated \$415,000 and received City Council authority to complete a plan adoption process for consideration of a new redevelopment area. This program, called Crossroads, addresses options to revitalize older urban areas including the corridors along El Cajon Boulevard and University Avenue from City Heights to the La Mesa border. In 2003, the Crossroads Redevelopment Project Area is scheduled to go before Council to begin a 30-year process of revitalization.

The Economic Development Division leveraged \$50,000 received from the State with \$50,000 from the County of San Diego (plus City/County in-kind services of \$100,000) to develop a regional strategy regarding Base Realignment and Closure. The goal is to create a successful team that will preserve the military defense industry in San Diego.

Budget Dollars at Work

25,000 Children served by the City's "6 to 6" Program in Fiscal Year 2003

\$475,000 Private funding leveraged through the Storefront Improvement Program

5,600 Acres of City-managed redevelopment project areas

8,000 Total acreage of all agency project areas (including CCDC and SEDC)

\$10.0 Million in tax increment revenue generated by City redevelopment areas

\$3.5 Million of new General Fund revenue attributed to private capital investment

\$3.5 Million of Housing Trust Fund revenue attributed to private capital investment

7,876 Jobs created and retained

150 Beds provided through the Cortez Year Round Homeless Shelter

400 Beds provided by the City's Winter Shelter

4,200 Homeless housed and fed in winter

Community and Economic Development				
	FY 2002 ACTUAL	FY 2003 BUDGET	FY 2004 FINAL	FY 2003-2004 CHANGE
Positions	55.92	56.67	51.42	(5.25)
Personnel Expense	\$ 5,798,931	\$ 4,739,637	\$ 4,651,259	\$ (88,378)
Non-Personnel Expense	\$ 9,250,434	\$ 9,308,784	\$ 7,994,861	\$ (1,313,923)
TOTAL	\$ 15,049,365	\$ 14,048,421	\$ 12,646,120	\$ (1,402,301)

Community and Economic Development

Department Staffing

	FY 2002 ACTUAL	FY 2003 BUDGET	FY 2004 FINAL
GENERAL FUND			
Community and Economic Development			
Community Services	5.50	5.50	5.50
Department Management	2.42	2.42	2.42
Dept Wide-Redev	0.00	0.60	0.60
Economic Development	23.00	23.50	20.00
Economic Development-Mgmt	1.00	1.00	1.00
Redevelopment	19.00	19.25	16.50
Redevelopment-Mgmt	2.00	2.00	2.00
Support Services	3.00	2.40	3.40
Total	55.92	56.67	51.42

Department Expenditures

	FY 2002 ACTUAL	FY 2003 BUDGET	FY 2004 FINAL
GENERAL FUND			
Community and Economic Development			
Community Services	\$ 9,985,087	\$ 9,301,236	\$ 7,452,316
Department Management	\$ 250,749	\$ 296,172	\$ 310,924
Dept Wide-Redev	\$ 246,537	\$ 33,750	\$ 35,688
Economic Development	\$ 2,293,036	\$ 2,334,907	\$ 2,249,858
Economic Development-Mgmt	\$ 131,204	\$ 144,605	\$ 157,552
Redevelopment	\$ 1,801,262	\$ 1,557,854	\$ 2,032,041
Redevelopment-Mgmt	\$ 186,338	\$ 185,994	\$ 199,033
Support Services	\$ 155,152	\$ 193,903	\$ 208,708
Total	\$ 15,049,365	\$ 14,048,421	\$ 12,646,120

Grant Funds

	FY 2002 ACTUAL	FY 2003 BUDGET	FY 2004 FINAL
Community Development Block Grant (CDBG) Administration	\$ 693,983	\$ 769,000	\$ 779,000
Community Development Block Grant (CDBG) Disability Services	\$ 268,836	\$ 340,000	\$ 340,000
Community Development Block Grant (CDBG) Youth Services/Social Services	\$ 155,017	\$ 163,000	\$ 179,000
Total	\$ 1,117,836	\$ 1,272,000	\$ 1,298,000

Community and Economic Development

Significant Budget Adjustments

GENERAL FUND

Community/Economic Development	Positions	Cost
Salary and Benefit Adjustments Adjustments to reflect the annualization of the Fiscal Year 2003 negotiated salary compensation schedule, Fiscal Year 2004 negotiated salaries and benefits, changes to average salaries, retirement contributions and other benefit compensation.	0.00 \$	302,568
Support for College Grove "Park and Ride" Support is added for the first annual lease payment for College Grove "Park and Ride" to repay developer for public improvements related to the Marketplace at the Grove Shopping Center.	0.00 \$	561,750
Net Reduction of Staffing Reduction of 1.00 Intermediate Stenographer and 0.75 Word Processing Operator in the Redevelopment Division, and addition of 1.00 Word Processing Operator in the Community Services Division, and 0.50 Clerical Assistant II in the Redevelopment Division, for a net 0.25 position and non-personnel expense reduction.	(0.25) \$	(3,369)
Restructuring of Economic Development Division Minor restructuring of Economic Development Division to move expenses to appropriate activities.	0.00 \$	(8,519)
Support for Information Technology Funding has been reallocated according to a Citywide review of information technology budget requirements and priority analyses.	0.00 \$	(9,353)
Non-Discretionary Adjustments to reflect expenses that are determined outside of the Department's direct control. Examples of these adjustments include utilities, insurance, and rent.	0.00 \$	(20,316)
Reduction of Management Position Reduction of 1.00 Program Manager position from Community Services Division.	(1.00) \$	(101,868)
Reduction in Community Services Division Reduction of 1.00 Community Development Administrator in the Community Services Division. The position will shift to a grant funding source.	(1.00) \$	(111,208)
Reduction in Department Support Reduction of 3.00 positions including, 1.00 Clerical Assistant II, 0.50 Payroll Specialist II, 0.50 Senior Clerk Typist, 0.50 Information Systems Analyst IV and 0.50 Senior Management Analyst in Economic Development Division.	(3.00) \$	(184,917)

Community and Economic Development

Significant Budget Adjustments (continued)

GENERAL FUND

Community/Economic Development	Positions	Cost
Reduction in Support for Kiddie Hall Removal of onetime expenditure and revenue appropriation for construction of Kiddie Hall.	0.00 \$	(280,000)
Reduction of General Fund contribution and offsetting revenue for "6 to 6" Program Reduction of General Fund contribution to the "6 to 6" Program and elimination of the proposed registration revenue which was to offset the contribution.	0.00 \$	(400,000)
Reduction in "6 to 6" Extended School Day Program Reduction in "6 to 6" Extended School Day Program. This reduction will remove available support for 538 students.	0.00 \$	(538,000)
Reduction in Social Services Program Reduction in Social Services Program. This will result in a reduction in social service contracts.	0.00 \$	(609,069)

Expenditures by Category

	FY 2002 ACTUAL	FY 2003 BUDGET	FY 2004 FINAL
PERSONNEL			
Salaries & Wages	\$ 4,462,903	\$ 3,618,651	\$ 3,443,554
Fringe Benefits	\$ 1,336,028	\$ 1,120,986	\$ 1,207,705
SUBTOTAL PERSONNEL	\$ 5,798,931	\$ 4,739,637	\$ 4,651,259
NON-PERSONNEL			
Supplies & Services	\$ 8,880,022	\$ 8,952,688	\$ 7,674,934
Information Technology	\$ 267,307	\$ 254,546	\$ 232,931
Energy/Utilities	\$ 79,702	\$ 90,250	\$ 75,696
Equipment Outlay	\$ 23,403	\$ 11,300	\$ 11,300
SUBTOTAL NON-PERSONNEL	\$ 9,250,434	\$ 9,308,784	\$ 7,994,861
TOTAL	\$ 15,049,365	\$ 14,048,421	\$ 12,646,120

Community and Economic Development

Revenues by Category

GENERAL FUND		FY 2002 ACTUAL		FY 2003 BUDGET		FY 2004 FINAL
Property Tax	\$	-	\$	-	\$	-
Other Local Taxes	\$	-	\$	-	\$	-
Licenses and Permits	\$	-	\$	-	\$	-
Fines, Forfeitures, and Penalties	\$	-	\$	-	\$	-
Revenue from Money & Property	\$	-	\$	-	\$	-
Revenue from Other Agencies	\$	-	\$	88,094	\$	88,094
Charges for Current Services	\$	3,649,235	\$	2,851,793	\$	2,406,793
Other Revenues	\$	-	\$	-	\$	-
Transfers from Other Funds	\$	11,502	\$	63,900	\$	60,000
TOTAL	\$	3,660,737	\$	3,003,787	\$	2,554,887

Key Performance Measures

		FY 2002 ACTUAL	FY 2003 BUDGET	FY 2004 FINAL
Average cost per job placement assistance request		\$83	\$164	\$137
New General Fund revenue generated per dollar invested	(1)	\$18.00	\$10.00	\$12.00
New private sector capital attracted into the City per dollar invested	(2)	\$742	\$593	\$662
Average cost per small individual business assisted	(3)	\$39.00	\$59	\$74
Average cost per project/contract		\$2,327	\$3,058	\$3,250
Average cost per Neighborhood Revitalization public improvement project managed		\$4,171	\$8,128	\$7,163
Average cost per after school program site	(4)	\$78,715	\$83,892	\$84,590
Average cost per before school program site		\$5,050	\$10,864	\$21,504
Average cost per study/report/plan prepared		\$1,607	\$15,415	\$16,072
Average cost per budget/activity/report produced		\$5,836	\$5,701	\$5,529
Average cost per activity managed		\$15,528	\$10,333	\$11,057
Average cost per project managed		\$135,432	\$109,683	\$101,866

Salary Schedule

GENERAL FUND

Community/Economic Development

Class	Position Title	FY 2003 Positions	FY 2004 Positions	Salary	Total
1106	Sr Management Analyst	1.00	0.50	\$ 62,562	\$ 31,281
1107	Administrative Aide II	1.00	0.00	\$ -	\$ -
1218	Assoc Management Analyst	1.00	2.00	\$ 55,514	\$ 111,028

(1) This efficiency figure represents that for every dollar the City invests in the Business Expansion Attraction and Retention (BEAR) Program \$12 is the proposed return on investment in Fiscal Year 2004.

(2) This efficiency figure represents that for every dollar the City invests in the BEAR Program \$665 is the proposed return on investment in Fiscal Year 2004.

(3) The Small Business Advocate provides a more comprehensive level of service to individual businesses over a greater period of time.

(4) This includes State and federal grant funding.

Community and Economic Development

Salary Schedule (continued)

GENERAL FUND

Community/Economic Development

<i>Class</i>	<i>Position Title</i>	<i>FY 2003 Positions</i>	<i>FY 2004 Positions</i>	<i>Salary</i>		<i>Total</i>
1237	Payroll Specialist I	1.00	0.00	\$	-	\$ -
1350	Community Development Coord	6.00	7.00	\$	81,817	\$ 572,717
1352	Community Development Spec II	11.00	11.00	\$	55,330	\$ 608,634
1354	Community Development Spec IV	16.00	15.00	\$	69,661	\$ 1,044,912
1382	Legislative Recorder I	1.00	1.00	\$	41,314	\$ 41,314
1401	Info Systems Technician	1.00	1.00	\$	43,594	\$ 43,594
1532	Intermediate Stenographer	1.00	0.00	\$	-	\$ -
1535	Clerical Assistant II	3.00	2.50	\$	30,468	\$ 76,169
1648	Payroll Specialist II	0.00	0.50	\$	36,572	\$ 18,286
1746	Word Processing Operator	0.75	1.00	\$	33,015	\$ 33,015
1876	Executive Secretary	1.21	1.21	\$	46,240	\$ 55,950
1879	Sr Clerk/Typist	1.00	0.50	\$	38,040	\$ 19,020
1926	Info Systems Analyst IV	1.00	0.50	\$	70,000	\$ 35,000
2111	Asst City Manager	0.03	0.03	\$	172,067	\$ 5,162
2132	Department Director	1.00	1.00	\$	131,631	\$ 131,631
2153	Deputy City Manager	0.18	0.18	\$	163,400	\$ 29,412
2203	Community Dev Admin	1.00	0.00	\$	-	\$ -
2214	Deputy Director	2.50	2.50	\$	106,883	\$ 267,207
2257	Grants Coordinator	1.00	1.00	\$	77,147	\$ 77,147
2260	Child Care Coordinator	1.00	1.00	\$	72,476	\$ 72,476
2270	Program Manager	2.00	1.00	\$	71,706	\$ 71,706
2272	Homeless Services Coordinator	1.00	1.00	\$	71,706	\$ 71,706
	Overtime Budgeted	0.00	0.00	\$	-	\$ 13,435
	Reg Pay For Engineers	0.00	0.00	\$	-	\$ 8,145
	Temporary Help	0.00	0.00	\$	-	\$ 4,606
	Total	56.67	51.42			\$ 3,443,553

COMMUNITY AND ECONOMIC DEVELOPMENT TOTAL

56.67 51.42 \$ 3,443,553

Community and Economic Development

Five-Year Expenditure Forecast

	FY 2004 FINAL	FY 2005 FORECAST	FY 2006 FORECAST	FY 2007 FORECAST	FY 2008 FORECAST	FY 2009 FORECAST
Positions	51.42	54.42	55.42	56.42	57.42	57.42
Personnel Expense	\$ 4,651,259	\$ 5,004,042	\$ 5,226,503	\$ 5,455,638	\$ 5,691,647	\$ 5,862,396
Non-Personnel Expense	\$ 7,994,861	\$ 8,264,707	\$ 8,522,648	\$ 8,788,327	\$ 9,061,977	\$ 9,333,836
TOTAL EXPENDITURES	\$ 12,646,120	\$ 13,268,749	\$ 13,749,151	\$ 14,243,965	\$ 14,753,624	\$ 15,196,232

Community and Economic Development

Fiscal Year 2005

Addition of 2.00 positions and support to promote business development in the City's Special Incentive Zones and the Business Finance Program.

Addition of 1.00 position and support to coordinate with the plan check and inspection process to enforce ADA and Title 24 requirements for the City.

Fiscal Year 2006

Addition of 1.00 Community Development Specialist II and support within Economic Development to assist with added Community Revitalization activities within the Economic Development Division.

Fiscal Year 2007

Addition of 1.00 Community Development Specialist II and support to handle increased small business growth in the Economic Development Division.

Fiscal Year 2008

Addition of 1.00 Community Development Specialist II and support to handle the increased workload resulting from the City's receiving new special incentive zone designations i.e., Renewal Community.

Fiscal Year 2009

No major projected requirements.